

DIRECT TESTIMONY

OF

NANCY B. WEBER

TELECOMMUNICATIONS DIVISION

ILLINOIS COMMERCE COMMISSION

ICC ON ITS OWN MOTION

INVESTIGATION CONCERNING ILLINOIS BELL TELEPHONE COMPANY'S

COMPLIANCE WITH SECTION 271 OF THE TELECOMMUNICATIONS ACT

OF 1996

DOCKET NO. 01-0662 (Phase 1)

MARCH 20, 2002

1 **Q. Please state your name and business address.**

2 A. My name is Nancy B. Weber, and my business address is 160 North
3 LaSalle, Suite C-800, Chicago, Illinois, 60601.

4
5 **Q. By whom are you currently employed and in what capacity?**

6 A. I am currently employed by the Illinois Commerce Commission
7 ("Commission") in the Telecommunications Division as the Project
8 Manager for the independent third party review of Ameritech Illinois'
9 Operation Support Systems ("OSS") being conducted by KPMG
10 Consulting pursuant to Condition 29 of the Ameritech Illinois Merger
11 Order, Docket 98-0555. In addition to my project management work, I am
12 involved in Staff activities related to Condition 30 of the Ameritech Illinois
13 merger, which focuses on the performance measurements and the
14 performance remedy plan in Illinois. I am also involved with Staff's merger
15 compliance activities and wholesale service quality initiatives. I have
16 worked for the Illinois Commerce Commission since January 2000.

17
18 **Q. Please describe your qualifications and background.**

19 A. I graduated from Bucknell University, Lewisburg, PA, with a Bachelor of
20 Science degree in Computer Science and Engineering in 1992. I also
21 received a minor in Mathematics.

22

Q. Please describe your work experience prior to working for the Illinois Commerce Commission.

A. Prior to working for the Commission I was employed by Andersen Consulting, now known as Accenture, as a Manager in their Telecommunications Division. During my time with Andersen Consulting I gained extensive experience in all phases of software development. I developed both functional business requirements and technical specifications, planned application architectures, designed relational databases, developed mainframe and client server applications, wrote technical reference guides, conducted user training sections, directed project teams, wrote business proposals and fostered client relationships. I worked in both the healthcare and telecommunication industries. For more than three years I worked on engagements involving Ameritech Illinois.

Q. What is the purpose of your Phase 1 testimony?

A. I will present my analysis, assessment and findings with regard to Illinois Bell Telephone Company's ("Ameritech Illinois", "AI", "Company") compliance with checklist item 2 and the public interest component. Specifically, I address access to OSS under checklist item 2. With respect to the public interest, I address the reliability and accuracy of Ameritech Illinois' performance measurement data. I also respond to Ameritech

45 witness, Jim Ehr, and I have reviewed and am familiar with Mr. Ehr's
46 testimony.

47

48 **Q. Please provide a summary of your Phase 1 findings and**
49 **recommendations.**

50 A. As explained below in my testimony, Ameritech Illinois fails to provide or
51 generally offer nondiscriminatory access to OSS network elements in
52 accordance with the requirements of 251(c)(3) of the Federal
53 Telecommunications Act ("Act"). I recommend that this Commission
54 require Ameritech Illinois to address the problems associated with its loss
55 notification process and with its loss notification performance measure
56 prior to providing a positive recommendation to the Federal
57 Communications Commission regarding Ameritech Illinois' compliance
58 with the requirements of Section 271.

59

60 In my testimony I also state that there is serious cause to question the
61 accuracy and reliability of the performance measurement data Ameritech
62 Illinois reports to the Commission and other carriers on a monthly basis.
63 Therefore, based upon the facts presented below, it is my
64 recommendation that the Commission should reject any performance
65 measurement data Ameritech Illinois submits as evidence to support its
66 compliance with the competitive checklist item requirements in Section
67 271 until such time as the independent third party review being conducted

by KPMG Consulting confirms that Ameritech Illinois' reported performance measurement data is accurate and reliable. In addition, the Commission should not accept the performance measurement plan and anti-backsliding plan Ameritech Illinois proposes to use as evidence of its continued compliance post section 271 approval, consistent with the public interest, until the integrity and accuracy of the performance measure data has been verified.

Finally, Ameritech Illinois should enhance its written policy and procedures regarding the restatement of its performance measure data and remedy restatement procedures. These policies and procedure documents should be generally available to the Commission and CLECs. Ameritech Illinois should also provide a detailed explanation for each restatement it makes and indicate the impact to any previously reported data.

Q. Does your testimony in Phase 1 of this proceeding address all of the issues concerning OSS access under checklist item 2 and public interest?

A. No. I will address the majority of issues and concerns related to Ameritech Illinois' OSS access during Phase 2 of this proceeding. Phase 2 will begin once KPMG Consulting has completed its independent review of Ameritech Illinois' OSS. As for the public interest component, I only

address the reliability and accuracy of Ameritech Illinois' performance measurement data.

Q. You state that KPMG Consulting is completing an independent review of Ameritech Illinois' OSS and business processes, what is the basis and purpose of the independent third party review of Ameritech Illinois' OSS?

A. The independent third party review in Illinois is being conducted by KPMG Consulting pursuant to Condition 29 of the SBC/Ameritech Merger Order in Docket 98-0555 ("Merger Order"). The scope of the third party review was set based upon the parameters outlined in Condition 29 of the Merger Order. The Commission required Ameritech Illinois to work in collaboration with CLECs and Commission Staff in determining the set of changes Ameritech Illinois would make to its OSS. . The independent third party review is designed specifically to determine whether or not Ameritech Illinois is meeting the specific OSS requirements of the Merger Order and as further defined by the collaborative.

Q. Has the FCC recommended that an independent review of a Bell Operating Company's ("BOC") OSS and business processes be conducted as part of, or in advance of, a 271 proceeding?

A. The FCC believes that OSS testing provides an objective means by which to evaluate a BOC's OSS readiness and may otherwise strengthen an

application where competitors challenge the BOC's evidence. The FCC also points out that the persuasiveness of a third-party review is dependent upon the qualifications, experience and independence of the third party and the conditions and scope of the review itself.¹ If third party testing has not been conducted for a given OSS function, then the evidence necessary to prove whether or not the OSS functions are operationally ready is commercial usage.²

Q. Does the scope of the independent third party review encompass all areas of OSS relevant for the Illinois Commission to recommend section 271 approval?

A. It is unknown, at this time, whether or not the review currently being conducted encompasses all areas of OSS necessary for the Illinois Commission to support a section 271 approval. Since the independent third party review was ordered pursuant to the Merger Order, it is possible that its current scope may be different than what this Commission would determine for purposes of a 271 evaluation. Therefore, unless the independent third party review is modified to address any deficiencies identified in this case, to the extent they are not already included, the

¹ *Application of Ameritech Michigan Pursuant to Section 271 of the Communications Act of 1934, as amended, to Provide In-Region, InterLATA Services in Michigan*, CC Docket # 97-137, FCC 97-298 ¶216 (rel. Aug. 19, 1997) ("Ameritech Michigan Order").

² *Application by Bell Atlantic New York for Authorization Under Section 271 of the Communications Act To Provide In-Region, InterLATA Service in the State of New York*, CC Docket 99-295, FCC 99-404, ¶89 (rel. Dec. 22, 1999) ("Bell Atlantic New York Order").

Commission may only be able to rely upon commercial activity as data or evidence for those areas.

Checklist Item 2 – Unbundled Network Elements

Q. Please explain the Section 271 requirement pertaining to checklist item 2, Unbundled Network Elements.

A. The second item of the competitive checklist requires that carriers provide nondiscriminatory access to network elements in accordance with the requirements of sections 251(c)(3) and 252(d)(1) of the Act³. The FCC has interpreted this to include access to OSS and other UNEs, UNE combinations and the pricing of UNEs.⁴

Q. Does your testimony address all aspects of checklist item 2?

A. No, I will only address issues pertaining to OSS access. Issues pertaining to UNE availability and UNE combinations are addressed in the testimony of Staff witness Jim Zolnerek (ICC Staff Ex. 3.0) and issues pertaining to UNE Pricing are addressed in the testimony of Staff witness Robert Koch (ICC Staff Ex. 6.0).

³ 47 U.S.C. § 271(c)(2)(B)(ii).

⁴ *Joint Application by SBC Communications Inc. et al. to Section 271 of the Telecommunications Act of 1996 To Provide In-Region, InterLATA Services in Arkansas and Missouri*, CC Docket 01-194, FCC 01-338, at 8-40 (rel. Nov. 16, 2001) (“ARK/MO 271 Order”).

152 **Q. What specific aspects of checklist item 2, access to OSS, will you**
153 **provide testimony for in Phase 1?**

154 A. My Phase 1 testimony on OSS access only covers Ameritech Illinois' loss
155 notification process to its wholesale customers. I will address all other
156 items pertaining to OSS access in Phase 2 of this proceeding.

157

158 **Q. Why are you addressing this one item pertaining to OSS access in**
159 **Phase 1, as opposed to Phase 2 of this docket?**

160 A. The issue pertaining to loss notifications may or may not become apparent
161 in the third party review being conducted by KPMG Consulting. Therefore,
162 since it is known that there are problems with Ameritech Illinois' loss
163 notifications now and these issues are causing problems for Illinois
164 consumers and Ameritech Illinois' wholesale customers, it is best that the
165 issue be raised to this Commission in Phase 1. By raising this issue now
166 it will allow Ameritech Illinois sufficient time to address problems that are
167 known to exist before proceeding to Phase 2 of this case.

168

169 **Q. What are Operational Support Systems ("OSS") and what are its**
170 **various components?**

171 A. Operational support systems are the various computer systems, business
172 processes and personnel used by a company to conduct business with its
173 customers. The OSS being referred to in this proceeding are the systems,
174 business processes and personnel used by Ameritech Illinois to

communicate with its wholesale customers. The typical OSS functions evaluated by states and the FCC in a 271 review include pre-ordering, ordering, provisioning, maintenance and repair, billing and change management. The FCC has stated that access to OSS functions fall squarely within an incumbent LEC's duty under Section 251(c)(3). Section 251(c)(3) requires an incumbent LEC to provide unbundled network elements under terms and conditions that are nondiscriminatory and just and reasonable. Further, an incumbent LEC's duty under Section 251(c)(4) is to offer resale services without imposing any limitations or conditions that are discriminatory or unreasonable⁵.

Q. Are you aware, at this time, of any OSS components for which Ameritech Illinois fails to provide nondiscriminatory access to network elements as required in checklist item 2?

A. Yes. It is my belief that Ameritech Illinois fails to provide nondiscriminatory access to its OSS in the situation of loss notifications.

Q. What are loss notifications and why are they important?

A. Loss notifications are messages sent from Ameritech Illinois to a carrier, notifying the carrier that one of its end users has switched to another carrier. In the industry loss notifications are commonly referred to as 836 transactions or 836 reports. Ameritech Illinois provides loss notifications

⁵ Bell Atlantic New York Order, 15 FCC Rcd at 3990, para. 84.

197 to carriers that use Ameritech Illinois' facilities to offer service to its end
198 users.

199

200 One purpose of the loss notification is to notify the carrier to cease billing
201 the end user for the service that was switched. If Ameritech Illinois does
202 not send accurate and timely loss notifications to its wholesale customers,
203 then the wholesale customer does not know to stop billing the end user for
204 the service that Ameritech has switched to itself or to another provider.
205 This typically results in an end user being billed by two separate providers
206 for the same service.

207

208 In addition, if an end user calls to complain to the wholesaler who
209 originally provided service to the end user, the wholesaler may still not
210 know that the end user is no longer its customer. This second situation
211 would raise, in the end user, definite questions about the credibility of the
212 wholesale provider. It is also possible that when an end user experiences
213 this type of problem with a competitive local exchange carrier that the
214 reputation of all competitive carriers may be tarnished in the end user's
215 mind, thereby causing the end user to not choose an alternative local
216 carrier in the future.

217

218 **Q. Has the Commission received complaints from consumers regarding**
219 **being billed by multiple carriers for the same service?**

220 A. Yes, our Commission's Consumer Services Division has received
221 numerous complaints on this issue over the past six months.

222

223 **Q. Did Ameritech Illinois address the loss notification process or any**
224 **problems associated with that process, in either its direct testimony**
225 **or in its affidavits?**

226 A. No, based upon my review of the testimony, and to the best of my
227 knowledge, Ameritech did not address the loss notification process or any
228 known problems that exist with the process.

229

230 **Q. Has SBC/Ameritech admitted that it has a problem in providing loss**
231 **notifications to its wholesale customers?**

232 A. Yes, in ICC Docket 02-0160⁶ "Ameritech Illinois has acknowledged
233 problems with the Line Loss Notification process," but it has not discussed
234 this problem in the affidavits or direct testimony it filed for this proceeding.
235 Moreover, I am aware that, in Michigan, SBC/Ameritech has
236 communicated five different situations in which it has encountered
237 problems providing loss notifications to its customers. SBC/Ameritech has
238 reported two different situations that may occur when a CLEC's end user
239 requests a partial migration of lines⁷. When a partial migration includes
240 the main line on the account, SBC/Ameritech acknowledged, in the

⁶ IL Docket 02-0160, Supplemental response of Illinois Bell Telephone Company to request for emergency relief, para. 3.

⁷ A partial migration occurs when some but not all lines on an account are being moved to another carrier.

Michigan proceeding, that at times it would send line loss notifications for all lines on the account instead of just the lines on the account for which the switch was requested.⁸ The second partial migration situation SBC/Ameritech identified in Michigan affects those orders that involve manual handling by the Local Service Center (therefore the order is not handled electronically from start to finish). In this second situation SBC/Ameritech reports that it may not send any line loss notifications.⁹ SBC/Ameritech also identified other situations where line loss reports are not sent due to manual handling situations in some single CLEC to CLEC migrations and in single migrations to SBC/Ameritech¹⁰.

Q. How are the loss notification problems SBC/Ameritech identified in Michigan relevant to Illinois?

A. It is my understanding that the process SBC/Ameritech uses to generate loss notifications is relatively the same for all five Ameritech states. Therefore, if loss notification problems exist in Michigan and impact wholesale customers and consumers in Michigan the problems also exist in Illinois and affect Ameritech Illinois' wholesale customers and Illinois consumers.

⁸ Michigan Case No. U-12320, Ameritech Michigan's supplemental report on the line loss notification issue filed on January 29, 2002 at 6. ICC Staff Exhibit 11.0, Schedule 11.01.

⁹ Id.

¹⁰ Michigan Case No. U-12320, Ameritech Michigan's interim report on the line loss notification issue filed on January 9, 2002 at 5. ICC Staff Exhibit 11.0, Schedule 11.02.

261 **Q. Does Ameritech Illinois generate loss notification transactions to**
262 **Ameritech retail when an end user switches from Ameritech to a**
263 **competing carrier?**

264 A. Yes, It is my understanding that Ameritech's wholesale organization does
265 generate a loss notification or 836 transaction to its retail arm in the same
266 time and manner that loss notifications are generated for other carriers.
267 However, Ameritech Illinois has stated that its retail organization does not
268 use the loss notifications transactions.

269

270 **Q. Why doesn't Ameritech's retail arm use the loss notifications, or 836**
271 **transactions, that are in parity with those sent to CLECs?**

272 A. Ameritech retail does not use the loss notifications or 836 transactions it
273 generates because Ameritech Illinois uses a separate process to notify its
274 retail organization that it has lost a customer. The separate retail line loss
275 notification process is triggered by a different set of events than the 836
276 loss notification transactions. Therefore, it is highly likely that the loss
277 notification problems, some of which were previously outlined in my
278 testimony, do not affect Ameritech retail but they do impact Ameritech's
279 wholesale customers. It also demonstrates that Ameritech Illinois does
280 not provide line loss notifications to its wholesale customers in parity with
281 Ameritech retail.

282

283 **Q. How do the loss notification problems that Ameritech Illinois has**
284 **recognized exist and the difference in loss notification processes**
285 **between Ameritech's wholesale customers and its retail organization**
286 **demonstrate that Ameritech Illinois does not provide**
287 **nondiscriminatory access to its OSS in accordance with the**
288 **requirements of checklist item 2?**

289 A. In the situation where a CLEC is using Ameritech's facilities to provide
290 service to an end user, Ameritech Illinois performs the work within its
291 network to indicate that the CLEC is the provider. When a CLEC's end
292 user requests that it be switched to either Ameritech Illinois, or to another
293 CLEC, Ameritech Illinois is the company that performs the work in its
294 network to make the switch. The carrier who is losing an end user ("losing
295 carrier") can't directly access Ameritech Illinois' switch, or network, to
296 determine if it is still the one providing service to the end user. If the
297 losing carrier does not receive the loss notification, the losing carrier may
298 discover it no longer provides service to the end user if the end user
299 contacts the CLEC directly or the CLEC realizes that Ameritech Illinois has
300 stopped billing them for the line. In contrast, when Ameritech Illinois' retail
301 operations need to determine whether or not it's providing service to an
302 end user, it merely needs to look at its own switch or network. Ameritech
303 Illinois is able to do this because it owns the network facilities.

304

The FCC has in prior section 271 orders stated that for those functions the BOC provides to competing carriers that are analogous to the functions a BOC provides to itself in connection with its own retail service offerings, the BOC must provide access to competing carriers in “substantially the same time and manner” as it provides access to itself.¹¹ Therefore, where a retail analogue exists, a BOC must provide a level of access that is substantially similar to the level of access that the BOC provides to itself, its customers, or its affiliates. Similarity is determined in terms of quality, accuracy and timeliness.¹² Therefore, the loss notification problems described above demonstrate that Ameritech Illinois does not provide non-discriminatory access to its OSS in accordance with the requirements of checklist 2, because Ameritech Illinois fails to provide loss notifications to its wholesale customers in substantially the same time and manner as it provides access to itself.

Q. Are there any performance measures that summarize Ameritech Illinois’ performance in delivering loss notifications to its wholesale customers?

A. Yes. Performance measure, MI 13, reports “the percentage of loss notifications (which Ameritech provides to the carrier that “loses” a












¹¹ *Application by SBC Communications Inc. et al. Pursuant to Section 271 of the Telecommunications Act of 1996 To Provide In-Region, InterLATA Services in Texas*, CC Docket 00-65, FCC 00-238, ¶44 at 8-40 (rel. June 30, 2000) (“SWBT Texas Order”); Bell Atlantic New York Order, para. 44.

¹² Bell Atlantic New York Order, para. 44.

customer) issued within one hour after the related completion notice is sent to the new carrier¹³.

Q. What is the aggregate data that Ameritech Illinois has reported for performance measure MI 13 in Illinois for the months of November and December 2001 and January 2002?

A. As of March 5, 2002, Ameritech Illinois reports that its performance for measure MI 13 on an aggregate basis, per month, for the percentage of loss notifications sent within 1 hour of the service order completion notice being sent to the new carrier is as follows¹⁴:

	<i>Resale</i>	<i>LNP¹⁵</i>	<i>UNE-P</i>	<i>Loop</i>
<i>Nov. 2001</i>				
<i>Dec. 2001</i>				
<i>Jan. 2002</i>				

Q. Do you know why there is no UNE-P data available for November and December 2001 and no loop data for December 2001 and January 2002?

A. For reasons unknown to me, Ameritech Illinois did not report data for those products for those time periods.

¹³ Ameritech Ehr Affidavit at 254.

¹⁴ MI 13 aggregate performance measure data downloaded from <https://clec.sbc.com> by Staff witness Weber on February 5, 2002. ICC Staff Exhibit 11.0, Schedule 11.03 (Proprietary).

¹⁵ LNP means a loop with number portability.

346 **Q. Is the data presented in the table above for Ameritech Illinois**
347 **performance measure MI 13 consistent with the loss notification**
348 **problems SBC/Ameritech acknowledged and the consumer**
349 **complaints the Commission has received on this issue?**

350 A. No. The data reported on February 5, 2002 by Ameritech Illinois for
351 performance measure MI 13 on its CLEC Online performance
352 measurement website, is not consistent with comments the Commission
353 has received from Illinois consumers and carriers over the past six
354 months. From the data it does not appear that Ameritech Illinois is
355 experiencing problems with the loss notification process as has been
356 acknowledged by SBC/Ameritech¹⁶.

357

358 **Q. What reasons can you provide to explain this inconsistency?**

359 A. There are several reasons why performance measure MI 13 would not
360 reflect the problems associated with loss notifications. First, the business
361 rule definition states that MI 13 reports the percentage of loss notifications
362 sent to the losing carrier within 1 hour of the service order completion
363 notice being sent to the end user's new carrier¹⁷. Therefore, if Ameritech
364 never sends a service order completion notice to the new carrier, then the

¹⁶ IL Docket 02-0160, Supplemental response of Illinois Bell Telephone Company to request for emergency relief, para. 3.

¹⁷ SBC/Ameritech business rule document for performance measure MI 13 downloaded from <https://clec.sbc.com> by Staff witness Weber on February 14, 2002. ICC Staff Exhibit 11.0, Schedule 11.04 (Proprietary). This business rule document is also contained in Ameritech Affidavit, James D. Ehr, Appendix A.

365 loss notification would never be sent to the losing carrier, and the error
366 would not be reported as part of MI 13.

367

368 Second, if service order completion notices are sent late, or are delayed,
369 then MI 13 will not account for the delay. MI 13 does not account for the
370 delay since it only measures the time from when the service order
371 completion notice is sent to the new carrier and not from when the actual
372 work to disconnect the line was completed¹⁸.

373

374 Third, the partial migration problems identified by SBC/Ameritech, that I
375 noted earlier in my testimony, would not be reflected in MI 13 because the
376 loss notifications that should never have been sent are actually included in
377 MI 13 (when they shouldn't be). Further, the loss notifications that are
378 never sent are not included in MI 13 because the measure does not
379 include loss notifications that are never sent.

380

381 Lastly, the loss notifications involving manual process handling, that
382 SBC/Ameritech failed to send, also would not be reflected in MI 13. For
383 the foregoing reasons performance measure MI 13, as it is designed and
384 calculated today, does not and cannot accurately report Ameritech Illinois'

¹⁸ For the month of January 2002, Ameritech Illinois reported the following aggregate numbers for PM 7.1, percent mechanized completions reported within on day of work completion for resale, UNE and Combinations respectively; [REDACTED] and [REDACTED]. The benchmarks established for this metric is [REDACTED]. Staff witness Weber recorded this data from <https://clec.sbc.com> on February 5, 2002 (Proprietary). In addition, KPMG Consulting released Exception Report 18; ICC Staff Exhibit 11.0, Schedule 11.05, that provides several examples of Ameritech's systems providing late service order completion (SOC) responses.

385 performance related to loss notifications. Accordingly, it should not be
386 used as an indicator of Ameritech Illinois' performance in providing loss
387 notifications.

388

389 **Q. Are you aware of any other proceedings in which the loss**
390 **notification problems of SBC/Ameritech are being discussed?**

391 A. Yes, loss notification issues are also being discussed in a separate Illinois
392 emergency complaint case initiated by Z-Tel Communications¹⁹ and in
393 Michigan's 271 proceeding²⁰. In the Michigan 271 proceeding, the
394 Michigan Commission released an interim order on December 20, 2001
395 which stated that Ameritech Michigan's failure to provide timely notification
396 of migrations from one CLEC to another and back to Ameritech Michigan,
397 is anticompetitive and an egregious neglect of Ameritech's duty. The
398 interim order further demands that Ameritech Michigan address the
399 problems that exist and provide a report back on its efforts to resolve the
400 problems.²¹

401

402 **Q. Please summarize your critique of Ameritech Illinois' policies,**
403 **procedures and reporting methods with respect to the loss**
404 **notification process.**

¹⁹ Illinois Docket 02-0160.

²⁰ Michigan Case No. U-12320.

²¹ Michigan Case No. U-12320, Opinion and Order dated December 20, 2001 at 6. ICC Staff Exhibit 11.0, Schedule 11.06.

405 A. Ameritech Illinois fails to provide accurate line loss reports to its wholesale
406 customers, which has caused situations of duplicate billing to end users
407 and has potentially negatively affected the credibility of Ameritech's
408 competitors. The performance measure that Ameritech Illinois produces
409 to demonstrate its level of service in providing loss notifications, MI 13,
410 fails to account for Ameritech Illinois' performance in providing loss
411 notifications. Also, Ameritech Illinois' failure to provide loss notifications to
412 carriers in the same manner and timeframe as it does to its retail
413 organization clearly indicates that Ameritech Illinois fails to provide
414 nondiscriminatory access to loss notifications in accordance with the
415 checklist item 2.

416

417 **Q. What are your recommendations for Ameritech Illinois to address the**
418 **shortcomings you have noted?**

419 A. In order to address the issues I have identified above, the Commission
420 should require the following of Ameritech Illinois:

421 I. Correct the loss notification issues that SBC/Ameritech
422 acknowledges exist, in MI Case No. U-12320, with partial migration
423 of accounts;

424 II. Re-train Ameritech Illinois personnel to prevent loss notification
425 problems arising from manual handling errors in the local service
426 centers;

- 427 III. Determine if other situations exists that cause loss notifications to
428 be inaccurate, or untimely, and require Ameritech Illinois to correct
429 those situations immediately;
- 430 IV. Clearly state all problems Ameritech Illinois has uncovered related
431 to loss notifications since January 2001 and communicate these
432 situations in an Accessible Letter²² to the entire CLEC community.
433 The Accessible Letter should also indicate when the problem was
434 first identified, what versions of Ameritech's software the problem is
435 applicable to, what action Ameritech Illinois has taken if any to
436 correct each issue and when the action was taken, as well as any
437 planned or future action Ameritech Illinois plans to take and an
438 estimate of when the actions will be taken;
- 439 V. On a CLEC-by-CLEC basis, Ameritech Illinois should determine the
440 accounts for which loss notifications have never been sent or were
441 sent incorrectly and communicate these instances to the affected
442 CLECs. If problems continue to persist then Ameritech Illinois
443 should be required to perform this reconciliation process on a
444 monthly basis until all issues have been resolved;
- 445 VI. Continue to meet with CLECs, on an as needed basis, to discuss
446 the problems associated with loss notifications and the actions
447 Ameritech Illinois is taking to address the issues;

²² Accessible letters are the primary vehicles by which Ameritech communicates to its wholesale customers. They are usually electronic documents sent by Ameritech via email.

VII. Modify the process Ameritech Illinois uses to notify its retail organization of a customer loss or the process Ameritech Illinois uses to notify its wholesale carriers of a customer loss to bring them into parity with one another.

VIII. Modify the calculation, business rules and exclusions associated with performance measure MI 13 to accurately capture how long it takes Ameritech Illinois to send a loss notification, and to reflect the fact that MI 13 does not include loss notifications that are never sent.

The calculation should be modified so that the clock starts when the work to disconnect the account from the losing carrier was completed as opposed to the date the service order completion notice was sent to the new carrier.

The business rule should be modified to the following: "The percentage of customer loss notifications sent to carriers where the elapsed time from the completion of the disconnect provisioning work to the time that the loss notification (EDI 836 message) is transmitted to the losing carrier is less than one hour".

Finally, an additional exclusion should be added to the business rule document to clearly delineate that loss notifications that are not sent by Ameritech Illinois are not included in the measure.

IX. Include the modified performance measure MI 13 in the Ameritech Illinois Performance Remedy Plan or whatever plan is determined to be its “Anti-backsliding Plan” as part of this 271 proceeding, and reevaluate the benchmark level set for the measure. Today, no remedy payments are tied to performance measure MI 13.

Any changes Ameritech Illinois makes to its current processes and procedures regarding loss notifications or its performance measures that track loss notifications should be subject to review in Phase 2 of this proceeding.

Q. Please summarize your recommendation to this Commission regarding Ameritech Illinois’ loss notifications problems?

A. I recommend that this Commission require Ameritech Illinois to address the problems associated with its loss notifications by requiring it to address the nine items outlined above, prior to providing a positive recommendation to the Federal Communications Commission regarding Ameritech Illinois; compliance with the requirements of checklist item 2 of Section 271.

492

493

Public Interest

494

495 **Q. Please explain the Section 271 requirement as it pertains to the**
496 **public interest component.**

497 A. Separate from determining whether a BOC satisfies the competitive
498 checklist and will comply with section 272, Congress directed the FCC to
499 assess whether the requested authorization would be consistent with the
500 public interest, convenience and necessity.²³ The FCC has said that the
501 public interest analysis is an independent element of the statutory
502 checklist and, under normal canons of statutory construction, requires an
503 independent determination.²⁴

504

505 **Q. Does your testimony address all aspects of the public interest**
506 **component?**

507 A. No. My testimony addresses only certain aspects of performance
508 measurements important to public interest. Specifically, I address the
509 accuracy and reliability of Ameritech Illinois' performance measurement
510 data. Issues pertaining to other aspects of Ameritech Illinois' performance
511 measurement plan and its performance remedy plan are respectively

²³ 47 U.S.C. § 271(d)(3)(C).

²⁴ In addition, Congress specifically rejected an amendment that would have stipulated that full implementation of the checklist necessarily satisfies the public interest criterion. See Ameritech Michigan Order, para. 360-66; see also 141 Cong. Rec. S7971, S8043 (June 8, 1995).

512 addressed in the testimony of Staff witnesses Sam McClerren (ICC Staff
513 Ex. 13.0) and Melanie Patrick (ICC Staff Ex. 12.0).

514

515 **Q. What does the FCC say about the role that performance**
516 **measurements play in determining if a BOC's requested**
517 **authorization would be consistent with the public interest?**

518 A. The FCC has explained that one factor it may consider, as part of its
519 public interest analysis is whether a BOC would continue to satisfy the
520 requirements of section 271 after entering the long distance market.²⁵ The
521 FCC has also stated that a BOC subject to performance monitoring and
522 enforcement mechanisms would constitute probative evidence that the
523 BOC will continue to meet its Section 271 obligations and that its entry
524 would be consistent with the public interest.²⁶

525

526 **Q. Why is the integrity and accuracy of Ameritech Illinois' performance**
527 **measurement data important to the public interest?**

528 A. Ameritech Illinois' performance measurement plan and its anti-backsliding
529 plan are the main components of Staff's proposal to monitor Ameritech
530 Illinois in order to ensure it continues to meet its Section 271 obligations, if
531 approval is granted to it by the FCC. Both of these plans rely almost

²⁵ *Joint Application by SBC Communications Inc. et al. for Provision of In-Region, InterLATA Services in Kansas and Oklahoma*, CC Docket 00-217, FCC 01-29, ¶269 (rel. Jan. 22, 2001) ("SWBT Kansas/Oklahoma Order").

²⁶ *Application of BellSouth Corporation et al. for Provision of In-Region, InterLATA Services in Louisiana*, CC Docket 98-121, FCC 98-271, (rel. Oct. 13, 1998) ("Second BellSouth Louisiana Order").

entirely on Ameritech Illinois' set of performance measurements and the performance measurement data it reports.

In order for this Commission to be able to rely upon the performance measurement data and anti-backsliding plan, this Commission must have confidence in the integrity and accuracy of Ameritech Illinois' performance measurement data. The FCC, in its Bell Atlantic New York Order, stated that one important characteristic of an anti-backsliding plan is that there must be reasonable assurances that the BOC reported performance measurement data is accurate.²⁷ Moreover, because the performance measures contained in the performance measurement plan are the inputs to the Ameritech Illinois' performance remedy plan and anti-backsliding plan, the efficacy of these plans are seriously undermined if such inputs are questionable.

Q. What does Ameritech Illinois say in its direct testimony about the integrity, accuracy and retention of its performance measurement data?

A. Ameritech Illinois witness, Ehr, states on lines 60-64 of his direct testimony that CLECs and the ICC should have confidence in the performance measurement information supplied and reported by Ameritech Illinois.²⁸ He acknowledges that the integrity and accuracy of

²⁷ Bell Atlantic New York Order, para. 433.

²⁸ Ameritech witness Jim Ehr, direct testimony, 60-64.

554 reported data is critical to providing confidence in the data Ameritech
555 Illinois reports.²⁹ Mr. Ehr goes on to say that Ameritech Illinois ensures
556 the integrity and accuracy of its performance measure reporting to CLECs
557 by the retention of the raw, unprocessed data underlying the performance
558 measures calculations, through periodic audits and through its own
559 proactive review of the results and underlying data.³⁰ Finally, Mr. Ehr
560 states that Ameritech keeps the appropriate raw unprocessed data in its
561 original unmodified form in order for Ameritech Illinois to be able to
562 recalculate performance measurements and or to undergo audits.³¹

563
564 **Q. Do you agree with the statements of Mr. Ehr regarding this item?**

565 A. I agree that the integrity and accuracy of Ameritech Illinois' reported
566 performance measurement data is critical to providing CLECs and the ICC
567 confidence in the performance measurement data Ameritech Illinois
568 reports. However, at this time I do not agree that the ICC or the CLECs
569 should have confidence in the integrity and accuracy of the performance
570 measurement data Ameritech Illinois reports as Mr. Ehr states they
571 should. I also question whether or not Ameritech Illinois actually retains
572 the raw, unprocessed data underlying the performance measure
573 calculations as Mr. Ehr mentions in order to be able to recalculate
574 performance measures and or to undergo audits.

575

²⁹ Id. 64-65.

³⁰ Id. 85-89.

576 **Q. On what basis do you doubt the integrity, accuracy and retention of**
577 **Ameritech Illinois' reported performance measurement data?**

578 A. While conducting the performance metrics component of its independent
579 review of Ameritech Illinois' OSS, KPMG Consulting has identified
580 numerous observations³² and exceptions³³ related to Ameritech Illinois'
581 performance metrics reporting practices. The observations and
582 exceptions, released to date, extend to almost every aspect of Ameritech
583 Illinois' performance metrics practices and highlight concerns about its
584 integrity, accuracy and sufficiency³⁴. Discussed below are highlights of
585 some findings that KPMG Consulting has issued while conducting its
586 review.

587
588 In Exception Report 20, KPMG Consulting "concluded that Ameritech's
589 procedures, documentation and controls for calculating and reporting
590 performance measures are inadequate to ensure that the results reported
591 are consistently accurate and complete³⁵". In its exception report, KPMG
592 states that, "documentation provided for approximately half of the

³¹ Id. 91-96.

³² An observation is created when KPMG Consulting determines that a test reveals that one of Ameritech's practices, policies, or system characteristics may result in a negative finding in the final report.

³³ An exception is created when KPMG Consulting determines that a test reveals that one of Ameritech's practices, policies, or system characteristics is not expected to satisfy one or more of the evaluation criteria defined for the test.

³⁴ KPMG Consulting Observations 27, 28, 95, 120, 121, 124, 125, 136, 155, 156, 162, 163, 164, 165, 217, 218, 219, 244, 247, 253 and Exceptions 1, 2, 19, 20, 26, 41, 42, 47 that have been released as of 3/11/02 as a result of the performance metrics component of the third party test. The observation and exception documents can be found on www.osstesting.com.

³⁵ KPMG Consulting Exception Report 20;
<http://www.osstesting.com/Documents/Exceptions/Exception%2020vf.pdf>. ICC Staff Exhibit 11.0, Schedule 11.06.

performance measures is inaccurate, incomplete or does not exist³⁶. If the documentation is not available then one must rely upon Ameritech subject matter experts to explain the detailed aspects of each performance measure, of which today there are more than 160 measures and over 3,000 reporting disaggregations³⁷.

KPMG Consulting Exception Report 19 indicates that “Ameritech’s data retention policies regarding source data do not enable thorough and complete audits to be conducted or facilitate the resolution of potential disputes which may arise between the CLECs, Ameritech and the regulatory agencies regarding the correct reporting of performance measurement results”³⁸. The report goes on to state that Ameritech’s failure to maintain source data in its original form makes complete and thorough annual audits of retrospective data impossible and that any attempt to trace error in report results are hindered by the lack of retention of source data. These issues may also prevent Ameritech from being able to regenerate performance measurement reports as required³⁹.

KPMG Consulting began its investigation of Ameritech Illinois’ performance measurements in November 2000 and KPMG today, 16

³⁶ Id.

³⁷ Ameritech, James D. Ehr, Affidavit at 47.

³⁸ KPMG Consulting Exception Report 19;
<http://www.osstesting.com/Documents/Exceptions/Exception%2019vf.pdf>. ICC Staff Exhibit 11.0, Schedule 11.07.

³⁹ Id.

months later, continues to uncover concerns and questions regarding the performance measurement data Ameritech Illinois reports. Ameritech Illinois continues to work to address the concerns raised by KPMG Consulting but problems persist.

These facts and findings alone raise serious doubts as to the integrity and accuracy of Ameritech Illinois' performance measurement data and contradict the statements of Ameritech witness Ehr. The number and substance of the other observation and exception reports issued by KPMG Consulting related to Ameritech performance measurement reporting and data retention further reinforce the findings presented in exception reports 19 and 20⁴⁰ and provide the primary basis for my opinion that the integrity and accuracy of Ameritech Illinois' performance measure data is in doubt.

Q. What does the direct testimony of Ameritech Illinois say with respect to the restatement of performance measurement data?

A. Ameritech Illinois witness Jim Ehr, in his direct testimony, states that Ameritech Illinois restates performance measurement results when it determines that results were posted incorrectly or could be more complete.⁴¹ He continues to explain that notification of all restatements

⁴⁰ See footnote 34.

⁴¹ Ameritech, Jim Ehr, direct testimony, 106-107.

are communicated to the CLECs and the Commission on the Website
News page of the CLEC On Line website⁴².

**Q. Has Ameritech Illinois restated any performance measurement
results since January 2001?**

A. Yes, Ameritech Illinois frequently restates performance measurement
results. For instance, Ameritech Illinois has restated the April 2001 results
for 53 of the 165 performance measurements, or nearly a third of the total
measures⁴³ since they were originally posted. In some of those instances
certain measures were restated multiple times. It appears that Ameritech
continuously restates results as a normal course of business. KPMG
Consulting has found that the inadequacies in Ameritech's procedures,
documentation and controls for calculating and reporting performance
measures result in inaccurate performance metrics reporting which,
therefore, require Ameritech Illinois to make frequent restatements of its
posted performance measurement results.⁴⁴ Moreover, AI witness Ehr
has stated that performance measurement results are restated because
they are found to be "incorrect" or could be "more complete". Therefore,
since one-third of performance measures reported for April 2001 were
restated, it follows that Ameritech determined that one-third of the April
2001 results it originally posted to the website were incorrect or
incomplete. If Ameritech Illinois' performance measurement data was

⁴² Id. 158-163.

⁴³ KPMG Consulting Exception Report 20. ICC Staff Exhibit 11.0, Schedule 11.06.

accurate and reliable as Ameritech alleges, then data restatements should not be as frequent nor should the restatements impact as many measures as has been observed in the past.

Q. Does Ameritech Illinois have a documented process for making performance measurement restatements?

A. The only document I have seen that is available to CLECs and the Commission where SBC/Ameritech mentions performance measurement restatements is in its Ameritech Change Management Notification Process for Performance Measurements⁴⁵. In this document, Ameritech indicates that a change requiring restatement of previously reported results would be made as soon as identified, that all data restatements will be communicated via web page notifications and that the notification will include a short description of the reason and areas modified. The process as described, does not communicate to the CLECs and the Commission when and why Ameritech Illinois will restate a previously reported performance measure as is covered in part by Ameritech witness, Ehr's in his direct testimony at lines 104-184.

⁴⁴ Id.

⁴⁵ Ameritech Change Management Notification Process for Performance Measurements downloaded from https://pm.sbc.com/ait-common/PM_Ch_Man_Not.pdf by Staff witness Weber on February 15, 2002. ICC Staff Exhibit 11.0, Schedule 11.08 (Proprietary).

674 **Q. When Ameritech Illinois makes performance measurement**
675 **restatements what notification does it provide today to CLECs and**
676 **this Commission?**

677 A. Although, Ameritech Illinois provides notice on its CLEC Online website
678 when there are restatements in previously reported performance metrics
679 data, it is my opinion that the information provided on the website is
680 insufficient to explain to CLECs and the Commission exactly what was
681 modified, why the modification occurred and what impact the modification
682 had on the previously reported data. This information is very important for
683 CLECs and the Commission to understand exactly why performance
684 metrics are restated and in what why did the restatements move
685 Ameritech's performance.

686

687 In addition, the policy regarding data restatements available on the
688 website does not provide any detail as to what point in the month
689 restatements will occur, and/or under what circumstances Ameritech
690 Illinois will determine a restatement is warranted. Therefore, the current
691 restatement policy, as posted by Ameritech on its CLEC Online website, is
692 inadequate as is the level of detail Ameritech Illinois posts regarding data
693 restatements that have occurred. Staff and CLECs rely upon the data to
694 understand the level of service quality that Ameritech is providing to its
695 wholesale customers. If Ameritech Illinois alters the data on a regular
696 basis and does not provide parameters around when and why

697 restatements will be made it calls into question any modifications it may
698 make to previously reported data. Therefore, I recommend that the
699 Commission require Ameritech Illinois to fully document its policies related
700 to data restatements and enhance the level of detail it posts when
701 performance measure data restatements occur.

702

703 **Q. What are performance remedies and what is the relationship of**
704 **performance remedies to performance measurement data?**

705 A. Performance remedies are the payments that Ameritech Illinois makes to
706 the State of Illinois and its wholesale customers when it fails to provide a
707 given level of service. Performance measurements are the inputs to the
708 calculations for determining the performance remedies that Ameritech
709 Illinois is responsible for. Therefore, whenever performance
710 measurements are restated there is a possibility that the performance
711 remedy amounts also need to be restated. For more background
712 information on performance remedies, refer to the testimony of Staff
713 witness Melanie Patrick (ICC Staff Ex. 12.0).

714

715 **Q. Is there any information contained in Ameritech's direct testimony**
716 **which speaks to the recalculation of remedy amounts when there**
717 **have been restatements of performance measurement results?**

718 A. Ameritech witness Ehr, in his direct testimony, states that Ameritech does
719 recalculate remedies that are to be paid to any CLEC or the state, when

720 applicable, whenever restatements are made that affect those remedy
721 amounts. If a restatements result in an increase in the amount of remedy
722 to be paid then Ameritech pays the increase with interest⁴⁶.

723

724 **Q. Does Ameritech Illinois have a documented process that it follows**
725 **when making restatements of its monthly performance remedy**
726 **amounts and is this process generally available to the Commission**
727 **and CLECs?**

728 A. I do not know of any document generally available to the Commission or
729 CLECs, which outlines the process Ameritech Illinois uses to restate
730 performance measurement remedy amounts. The only information I have
731 seen written on this process is what is contained in the testimony of
732 Ameritech Witness Ehr, which I just noted. If there is such a document
733 Ameritech Illinois should make it available in this proceeding so that it can
734 be properly reviewed.

735

736 **Q. Do you believe the remedy restatement process should be**
737 **documented and made generally available to the Commission and**
738 **CLECs?**

739 A. Yes, I believe that Ameritech Illinois should put its remedy restatement
740 process in writing and make it generally available to Commissions and
741 CLECs. Ameritech Illinois should post its remedy restatement process on
742 its CLEC Online website where it makes other information available on a

⁴⁶ Ameritech Direct Testimony, James D. Ehr, 202-212.

password protected basis to its wholesale customers. It is important for CLECs and the Commission to understand when and under what circumstances remedies will be recalculated and be able to point to a written process that details these types of items.

Q. Is the integrity and accuracy of Ameritech Illinois performance measurement data only relevant to the public interest component of Section 271?

A. No, it is not. The FCC has stated that performance measure data reported by BOCs provide valuable evidence regarding a BOC's compliance or non-compliance with individual checklist items.⁴⁷ Therefore, in support of its 271 application, Ameritech Illinois will provide three months of performance measurement data that will purportedly show it's in compliance with certain requirements under checklist items 1-9, 11 and 14⁴⁸. If Ameritech Illinois continues to restate performance measure results in the quantity as reported above then one can presume Ameritech Illinois may eventually restate as much as one-third of the performance measurement data it provides as evidence of compliance in this case. Also, if the integrity and accuracy of performance measurement data continues to be in doubt, as it is today, then the three months of

⁴⁷ *Application of Verizon New York Inc. et al. for Authorization To Provide In-Region, InterLATA Services in Connecticut*, CC Docket 01-100, FCC 01-208, ¶17 (rel. July 20, 2001) ("Verizon Connecticut Order").

⁴⁸ Ameritech Affidavit, James D. Ehr, Attachment C.

763 performance measurement data would provide little, or no support for
764 Ameritech Illinois' compliance with the 271 checklist.

765

766 **Q. Please summarize your position on the integrity and accuracy of**
767 **Ameritech Illinois' reported performance measurement data and your**
768 **subsequent recommendations.**

769 A. There is serious cause to question the accuracy and reliability of the
770 performance measurement data Ameritech Illinois reports to the
771 Commission and other carriers on a monthly basis. Therefore, it is my
772 recommendation that the Commission reject any performance
773 measurement data submitted by Ameritech Illinois as evidence to support
774 its compliance with the competitive checklist item requirements and public
775 interest requirements (i.e. as a basis for its anti-backsliding plan) in this
776 proceeding until such time as the independent third party review being
777 conducted by KPMG Consulting confirms that Ameritech Illinois' reported
778 performance measurement data is accurate and reliable.

779

780 In addition, I recommend the Commission require Ameritech Illinois
781 enhance its written policy and procedures regarding performance measure
782 data and remedy restatements and require Ameritech Illinois to provide a
783 detailed explanation for each restatement it makes. It is important that
784 Ameritech be required to make these changes in order for Staff and
785 CLECs to effectively monitor the level of service quality Ameritech Illinois

786 provides to its wholesale customers and ensure Ameritech Illinois does
787 not backslide or reduce the level of service it provides if the FCC grants
788 Section 271 approval.

789

790 **Q. Does this conclude your testimony?**

791 A. Yes, it does.

792